



AN ORDER REGARDING DIVERSITY IN STATE CONTRACTING AND PROCUREMENT

WHEREAS, building and maintaining a strong, otheant economy is critical to the future of this out state; and

WHEREAS, securing the economic health and vitality of this state in the 21st century demands that the State of Tennessee expand economic opportunity to all of its citizens and businesses; and WHEREAS, throughout the history of this state and nation, some minority and other protected groups have suffered grave injustice from the effects of economic discrimination. Even today some groups continue to struggle for an equal opportunity to earn a living and to take full advantage of economic opportunities; and

WHEREAS, this Administration is firmly committed to the principle of expanding economic opportunities to all Tennesseans. This commitment is evidenced in part by Executive Order No. 13, signed on October 9, 2003, detailing this state's commitment to equal and fair employment opportunities within state government; and

WHEREASS another key element of expanding economic opportunities to all Tennesseaus lies in providing opportunities for small businesses and businesses owned by minorities and women to grow and succeed. This Administration fully recognizes that it is in a unique position to serve as a role model for all businesses throughout Tennessee in contracting and doing business with small businesses and businesses owned by minorities and women; and

WHEREAS: the State of Tennessee currently attempts to provide a variety of services and resources to assist these businesses both in general growth and development and in specific efforts to secure state contracting and procurement opportunities. While many departments and agencies are working toward this common goal, there is currently no centralized organization to coordinate and focus the work of those departments and agencies; and

WHEREAS, it is clearly in the best interest of this state to ensure that small businesses and businesses owned by minorities and women are given the resources needed to grow into economically sound outities that are afforded the opportunity to compute soccessfully for the State of Tennessee's expenditures for goods and services. NOW THEREFORE, I, Phil Bredesen, Governor of the State of Tennessee, by virtue of the power and authority wested in me by the Constitution and laws of this state, do hereby order and direct that:

- 1. It is the unwavering policy of this state to expand economic opportunities, both mode and outside state government for small husinesses and husinesses reward by minutities and women. A primary compound of this effort will be to expand opportunities for these husinesses to compute successfully for the state's expenditures for goods and services. The success of this endoaver depends upon the unqualified, enthusiastic participation and commitment for more remarkable and services. The success of state government. In this end, all Essentive Branch departments, agencies, boards and commissions and any other deviations of the Essentive Branch of state government shall fully cooperate to accomplish both the general and specific objectives of this Essentive Order.
- 2. There is hearby created the Governor's Office of Diversity Business Enterprise. This office is charged with coordinating and directing the Executive Bounch's efforts in assisting small husinesses and husinesses owned by minarities and somem to develop into violes, exceeded husinesses. This work shall specifically include arsisting these husinesses to compute successfully for the State of Tennesses's expenditures for goods and services. In fulfilling its clarge, the Governor's Office of Diversity Business Enterprise is directed to work with all existing state agencies and offices, specifically including the Office of Business Enterprise within the Department of Economic and Community Development.
- 3. The Governor's Office of Diversity Business Enterprise is directed to thoroughly review current state laws governing state contracting and protunement opportunities for small businesses and minority and women owned businesses and recommend to the Governor any needed changes to existing laws and any needed additional legislation.
- 4. All Executive Branch departments, agencies, bounds and commissions and any other divisions of the Executive Branch of state government shall fully cooperate with the Governor's Office of Diversity Business Enterprise and shall provide staff support and any other assistance as requested. This cooperation specifically includes, but is not limited to, establishing amond departmental or agency level internal goals for small business and minority and women owned business contracting. In establishing these annual goals, each department and agency shall work closely with the Governor's Office of Diversity Business Enterprise.
- The Governor's Office of Diversity Bosiness Enterprise shall be under the direction of the Commissioner of
 Conneal Services. As Director of the Governor's Office of Diversity Business Enterprise, the Commissioner
 of Corneral Services shall appoint a Diversity Business Frogram Director. This individual will work closely with the
 five major procurement entities within state government in subsect to ensure an optimal level of small business and
 minority and women owned business contracting. These few major procurement entities include the Department
 of Economia and Community Development, the Department of Finance and Administration, the Department
 General Services, the Department of Transportation and the State Building Commission.
- The Governor's Office of Diversity Business Enterprise shall be attached to the Department of General Services for administrative purposes.
- This Essentive Order supercodes and rescinds any and all executive orders and implementing directives and memorands on the same subject.

IN WITNESS WHEREOF, I have subscribed my signature and caused the Great Seal of the State of Tennessee to be affixed this 8th day of December, 2003.



RIM C HOMINI

GOVERNOR

GWENDOLYN SIMS DAVIS COMMISSIONER PHIL BREDESEN
GOVERNOR

December 31, 2008

The Honorable Phil Bredesen Governor of Tennessee First Floor State Capital Nashville, TN 37243

Dear Governor Bredesen:

In April 2004, the General Assembly passed the "Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act". The new Act designates the Governor's Office of Diversity Business Enterprise as the central point of contact for assisting minority owned, woman owned and small businesses under Tennessee Code Annotated §12-3-801 through 808 et. sq.

The new statutes greatly expand the types of state contracts and procurements covered under the law, and now include professional and personal services contracts. Under the old law, reporting requirements only reflected the total number of purchase orders and expenditures by the Executive Branch as a whole. Under the new Act, however, all contracting activity, including professional and personal service contracts, must be reported by every agency of state government.

The Governor's Office of Diversity Business Enterprise continues to work with individual departments, boards and commissions to develop a reporting system that will capture accurate state procurement dollars pertinent to all state contracting activity.

This report on annual purchases and contracts reflects more detailed program information and attempts to highlight program accomplishments. Also included for the first time is a list of the minority owned and majority owned firms that have partnered with Go-DBE over the past few years to help make the program a success.

In accordance with the Act, the Commissioner of General Services is directed to make an annual report to the Governor and the General Assembly regarding state procurements and contracts awarded to minority owned, woman owned and small businesses. Presented herein is the report for Fiscal Year 2007-08.

Sincerely,

Gwendolyn Sinds Davis

Commissioner *√*

GSD:SS

TABLE OF CONTENTS

| Execu | tive Summary1 |
|--------|--|
| | Mission Statement |
| | History |
| | Executive Order |
| | Authority |
| | Conclusion |
| | Organizational Chart |
| Part 1 | Highlights and Accomplishments |
| | State Diversity Purchases and Contract Awards |
| | Contract Awards with Diversity Businesses8 |
| | Minority Owned, Woman Owned and Small Business Participation |
| | Subcontract Awards with Go-DBE Partners |
| | Vendor Registration |
| | Certification |
| | Certification by Industry |
| | Technical Assistance |
| | Program Outreach |
| | Diversity Outreach Location |
| | Agency and Departmental Goals17 |
| | Agency and Departments Meeting Internal Goals |
| Part 2 | Reporting Requirements by T.C.A |
| | Purchasing Order and Contract Awards |
| Part 3 | Diversity Business Enterprise Program Initiatives |
| | Program Initiatives for Fiscal Year 2007-2008 |



EXECUTIVE SUMMARY

Mission Statement

To coordinate the state's efforts to facilitate greater participation by minority owned, woman owned and small businesses in the state's procurement and contracting opportunities. The Office works closely with the five major procurement entities; the Departments of Economic and Community Development, Finance & Administration, General Services, Transportation and the State Building Commission to ensure an optimal level of participation by diversity businesses in state contracting.

History

Previous programs to assist minority owned, woman owned and small businesses, desiring to do business with state departments and agencies, did little to increase participation in state procurement and contracting opportunities. The maze of varied and decentralized procurement processes continued to be complicated, confusing and discouraging to diversity businesses. Governor Bredesen recognized that the state of Tennessee must do more to ensure that diversity businesses are given a fair and equal opportunity to participate in the state's procurement of goods and services. That strong commitment to diversity businesses resulted in the appointment of a cabinet level team, led by the Commissioner of General Services, to conduct a comprehensive review of the state's procurement and contracting processes and to make recommendations to the Governor for statewide initiatives to stimulate increased participation by minority owned, woman owned and small businesses. The team recognized the need for a single entity to coordinate recommended initiatives and developed a strategic plan to link the state's major procuring departments through creation of the Governor's Office of Diversity business Enterprise.

Executive Order

Creation of the Governor's Office of Diversity Business Enterprise

The Governor's Office of Diversity Business Enterprise (Go-DBE) was created by Executive Order Number 14, on December 8, 2003, in an effort to expand economic opportunities for small businesses and businesses owned by minorities and women. This office is charged with coordinating and directing the Executive Branch's efforts to increase participation by small businesses and businesses owned by minorities and women in the state's procurement and contracting opportunities. The Office works with all state departments and agencies, including the Department of Economic and Community Development to assist these businesses in successfully competing for the state of Tennessee's expenditures for goods and services. The Office is the central point of contact for small businesses and businesses owned by minorities and women, desiring to participate in state procurement and contracting of goods and services.

EXECUTIVE SUMMARY





The Governor's Office of Diversity was codified in 2004 upon passage of the "Tennessee Minority Owned, Woman Owned and Small Business Procurement and Contracting Act." Tennessee Code Annotated 12-3-801 through 808 requires the Governor's Office of Diversity Business Enterprise to:

- Compile and maintain a comprehensive list of minority owned, woman owned and small businesses to provide potential sources for various goods and services.
- Assist minority owned, woman owned and small businesses in complying with state procurement and contracting procedures and requirements.
- Examine requests from state agencies for the purchase of materials, supplies, equipment
 or services to help determine which invitations to bid and requests for proposals may offer
 increased opportunities for minority owned, woman owned and small businesses; and
- Make recommendations to appropriate state agencies for the simplification of procurement and contract specifications and terms in order to increase the opportunities of participation by minority owned, woman owned and small businesses.

All departments, agencies, boards and commissions are required to fully cooperate with the Governor's Office of Diversity Business Enterprise to provide information regarding upcoming procurement opportunities, make periodic reports on diversity business participation and actively solicit bids and proposals from small, minority and woman owned businesses. In addition, each department is required to establish internal agency level goals of small, minority and woman owned business contracting.



Conclusion

The Governor's Office of Diversity Business Enterprise will continue to expand and develop program initiatives that will improve business enterprises owned by women, minorities and small businesses and their success in participating in state contracting activity. While many challenges continue to exist, we will continue our charge in the upcoming year with greater focus on technical assistance and the development of a mentoring program. We have revisited our certification process through conducting a review with the assistance of Finance and Administration Office of Consulting Services. We are adopting their recommendations to include a refocus of building on the existing strengths of the office while reorienting four basic areas. The four areas include:

- Refocusing certification requirements
- Re-organizing work flow process
- Redefining technical assistance
- Revamping communications with customers.

The office recently awarded a contract to conduct a disparity study that is scheduled to be completed in September 2009. This will provide us with a factual basis for the continued development of program efforts to provide a "level playing field" for our diverse community.

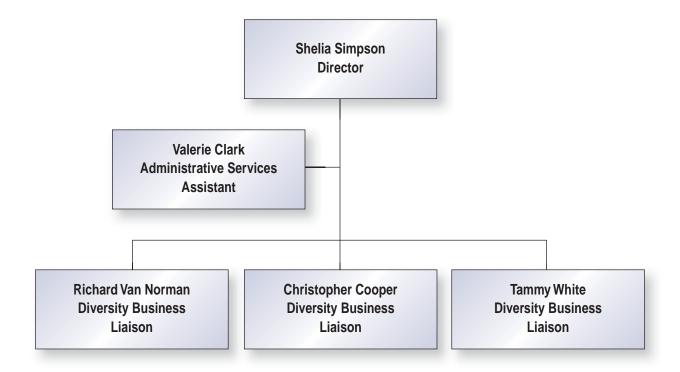
EXECUTIVE SUMMARY



Department of General Services Governor's Office of Diversity Business Enterprise

Organizational Chart





PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

State Diversity Purchases and Contract Awards

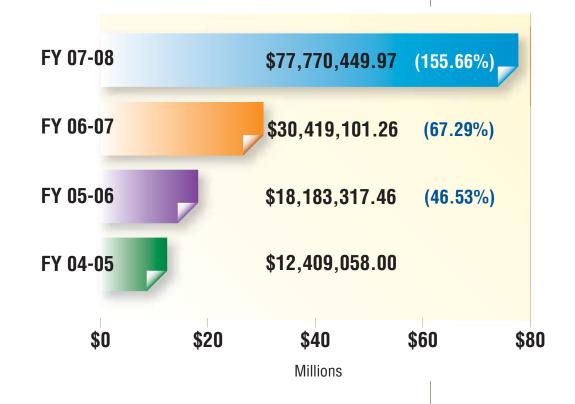
verall Diversity Business purchases and contracts increased from \$30,419,101.26 in Fiscal Year 2006-07 to \$77,770,449.97 in Fiscal Year 2007-08 – a 155.66% increase. (See Chart below)

Diversity spending has shifted from the previous area of commodities and purchases to service type contracts.

In FY 2007-08, **397** businesses certified with Go-DBE were awarded a purchase order award or contract with the state as a result of their certification with Go-DBE. This represents a 19.94% increase over the previous fiscal year.

| THE \$100,000 PLUS AWARDS | | | | |
|---------------------------|-----------------|--|--|--|
| No. of Businesses Dollars | | | | |
| 66 Businesses | \$100K - \$500K | | | |
| 5 Businesses | \$500K - \$1M | | | |
| 6 Businesses | \$1M - \$5M | | | |
| 4 Businesses | \$5M + | | | |













Griffin&Strong, P.C.













Contract Awards with Diversity Businesses

Diversity in state contracting activity is best demonstrated when minority, woman owned and small businesses receive opportunities to do business with the state. The following list reflects a few of the businesses that competed successfully in obtaining a purchase order or contract during the past fiscal year and the department or agency that awarded the contracts.

Department or State Agency:

Minority Owned Businesses:

Amnesty Professional Services Board of Regents

Business Resource Group, LLC Department of Transportation

Direct Medical Supply

Bureau of TennCare

Ewing Moving Service Department of General Services

Flintco Higher Education

Griffin & Strong, P.C. Department of General Services

International Systems of America State Building Commission

Open Communications International Department of General Services

Nursing Resource Solutions Department of Mental Health

Moody Nolan State Building Commission

Woman Owned Businesses:

Clark Dixon Associates State Building Commission

Collier Roofing State Building Commission

Carolina Imaging Products Department of General Services

Stones River Companies State Building Commission

WKM Construction University of Tennessee

Walden Security Department of General Services / Tourism

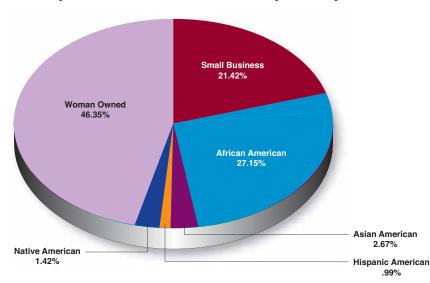
Walker and Associates Department of Finance and Administration

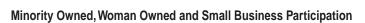
Note: Not all diversity businesses could be listed. The above listed firms represent a small portion of the many firms that were successful in doing business with the state

-18 H

PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

Diversity Business Procurement Awards by Ethnicity



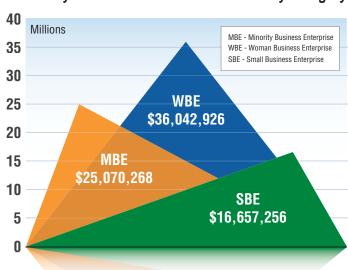


| \$ 16,657,256 |
|---------------|
| \$ 36,042,926 |
| \$ 1,102,886 |
| \$ 771,513 |
| \$ 2,077,629 |
| \$ 21,118,240 |
| |

The chart (right) reflects the total dollars of \$77,770,450 awarded this past fiscal year by major category.



Diversity Business Procurement Awards by Category







expertise in action-















Subcontract Awards

The state's diversity program was built on partnership. Internal partners with the five major procuring authorities within state government as well as external partners to state government. External partners include majority firms that extend procurement opportunities to certified diversity businesses. The following list includes majority owned firms that have contracts with the state of Tennessee and also have partnered with the Governor's Office of Diversity Business Enterprise. By embracing the state's diversity program, these firms responded to the diversity language included in the state's personal and professional service contract terms and conditions. The language requests that proposers estimate a percentage of the contract that will be dedicated or subcontracted to minority owned, woman owned or small businesses. We consider the following firms partners for their efforts to expand opportunities to certified businesses by congratulating them for their success in partnering with the statewide diversity program.

| Majority Owned Firm Adecco | Certified Diversity Company Arvie Temporary Personnel Service | State Agency or Department Department of Human Resources |
|--------------------------------------|--|--|
| ACS Healthcare | Zycron | Bureau of Tenn Care |
| American Paper and Twine | Smead Manufacturing Office Mate International | Department of General Services |
| Black Box Network | Brandon Technology Consulting | State Building Commission |
| Blue Cross/Blue Shield | Memphis Chemical & Janitorial | Department of Finance and Administration |
| Ciber | Optimum Technology Cirrus Technology GISbiz | Department of Finance and Administration |
| Cross Gate Services, Inc. | C&P Janitorial | Department of General Services |
| Griiffin and Strong | Business Resource Solutions Hall Communications | Department of General Services |
| Johnson Controls | Stones River Electric | Department of Finance and Administration |
| Maximus | C3 Consulting | Department of Finance and Administration |

Note: Not all diversity businesses could be listed. The above listed firms represent a small portion of the many firms that were successful in doing business with the state





American Paper & Twine Co.

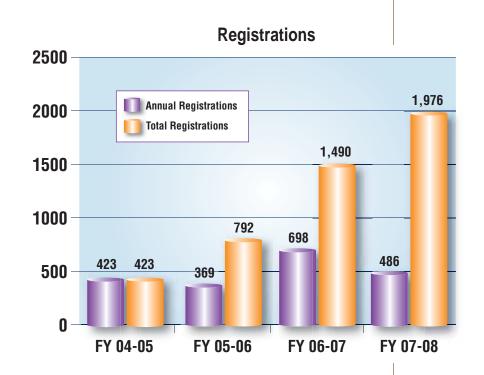
Vendor Registration

Diversity Business Enterprises interested in the state of Tennessee's procurement and contracting opportunities are encouraged to contact the Governor's Office of Diversity Business and complete a registration form.

Currently, a partnership exists with the Department of General Services Purchasing Division, Finance and Administration and Go-DBE, utilizing a universal Vendor/Grantee Registration application. This joint effort enables all businesses, whether seeking to get on the bidder list, looking to identify professional service contracts or seeking certification with Go-DBE, will complete one single on-line application form. The new on-line version has been developed and is available by visiting the Go-DBE Website at www.tennessee.gov/diversity.

Businesses interested in Personal and Professional Service Contracting complete the same Vendor/Grantee application. Completion of the registration process with Go-DBE will result in the addition of applicable data to the appropriate vendor databases without requiring the business to complete other application forms. Assistance is also available to diversity businesses in completing the registration process. The chart below depicts the number of vendor registrations processed by Go-DBE during fiscal year 2007-08 and the previous three years.





PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS



Certification

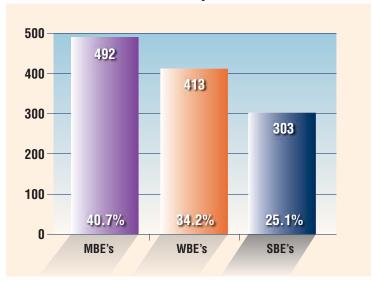
The Governor's Office of Diversity Business Enterprise certifies diversity businesses as minority owned, woman owned or small businesses. Firms desiring certification as a minority must submit documentation to substantiate at least 51% ownership, management and control by one or more minorities as defined in TCA 12-3-801(3). Firms desiring certification as a woman owned business are required to submit documentation to substantiate at least 51% ownership, management and control by one or more women.

Firms desiring certification as a small business must submit documentation to substantiate annual sales and number of employees.

Go-DBE accepts valid certification by other recognized entities, such as the U. S. Small Business Administration, Minority Purchasing Councils, Department of Transportation and the National Association of Women Business Owners, along with other state and local minority certification agencies. Each certified business is mailed a certification letter with a renewal date.

The chart below reflects the number of certified businesses for FY 2007-08.

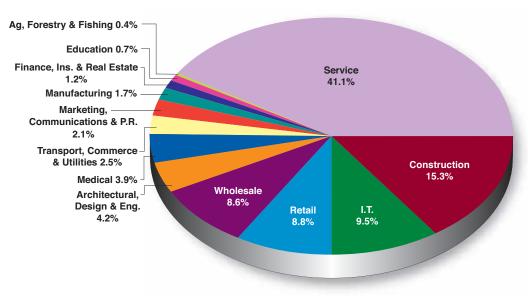
Certified Diversity Businesses



| MBE'S | 492 | 40.7% |
|----------------------------|-------|-------|
| WBE'S | 413 | 34.2% |
| SBE'S | 303 | 25.1% |
| Total Certified Businesses | 1.208 | 100.% |

Certification by Industry

Go-DBE established a directory of certified minority owned, woman owned and small businesses for use by all state departments and agencies to identify diversity businesses for solicitation of bids and proposals. The directory is also utilized by local government and private sector companies to identify diversity suppliers as both prime and subcontractors. This directory is on the Go-DBE Website at www.tennessee.gov/diversity and is updated monthly.

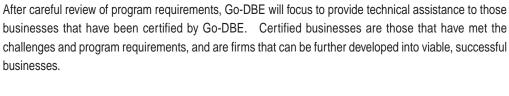




| Industry | Quantity |
|----------------------------------|----------|
| Service | 497 |
| Construction | 185 |
| I.T. | 115 |
| Retail | 106 |
| Wholesale | 104 |
| Architectural, Design, & Eng. | 51 |
| Medical | 47 |
| Transport, Commerce & Utilities | 30 |
| Marketing, Communications & P.R. | 25 |
| Manufacturing | 20 |
| Finance, Ins. & Real Estate | 14 |
| Education | 9 |
| Ag, Forestry & Fishing | 5 |
| Total: | 1,208 |

Technical Assistance

f, after a careful review by the Governor's Office of Diversity Business Enterprise (Go-DBE), a business has been assessed as not ready, willing and able as a diversity business, a referral may be made for technical assistance. Diversity business firms in business two years or less, or that have redefined their product line, or have recently relocated to Tennessee to do business, may be included in these referrals.



One of the ways of providing technical assistance is through Marketplace events. Thus far, the events have been held in Chattanooga, Nashville and Memphis.

Workshops and in-house training can include the following topics:

- How to start your business New business
- Marketing your business Emerging business
- Financial assistance Any business
- Bid and proposal New and emerging business
- Accounting New and emerging business
- Outreach All certified businesses

As in previous years, Go-DBE continued to provide on-site technical assistance to businesses in fiscal year 2007-08. (Businesses may receive assistance in more than one area.)

During the Memphis Marketplace in October of 2007, 250 individuals from 115 diversity businesses attended workshops to enhance their companies. The workshops provided technical assistance in four main areas:

- Procurement
- Marketing
- Bid and proposal preparation
- Funding for my business



PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

Program Outreach

Together, the Governor's Office of Diversity Business Enterprise (Go-DBE) and the Department of Economic and Community Development's Business Enterprise Resource Office (BERO) have presented outreach meetings and participated in workshops and conferences across the state to recruit diversity businesses for this statewide initiative.

The information below depicts the presentations or outreach meetings Go-DBE participated in for Fiscal Year 2007-2008 and the number of participants for each event:

Diversity Outreach Statistics

| Place and Events | Participants |
|---------------------------------------|--------------|
| Memphis, Tennessee | |
| Diversity Business Marketplace | 350 |
| Nashville, Tennessee | |
| Health Summit of Minority Communities | 35 |
| Governor's Conference | 100 |
| Women's Economic Summit | 300 |
| Pan Africa AIDS Conference | 150 |
| New Orleans, Louisiana | |
| NASPO - Small Business Seminar | 30 |



Diversity State Training – Education and Awareness

General Services – Purchasing Division Awareness Training

Board of Regents – Council of Buyers
General Services – New Buyers Orientation

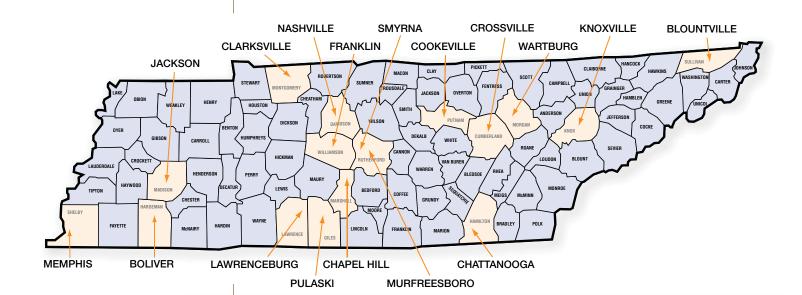
University of Tennessee – Construction Board of Regents – Construction

General Services – State Facility Administrators

Tennessee Government Executive Institute

Diversity Outreach Locations Across Tennessee

Reaching out to diversity businesses is also an important aspect of this program. Businesses require an understanding of the processes necessary to successfully do business with the state. In order to raise the level of awareness, we took the program to the local communities in which the businesses live. The map below represents the extent to which we marketed the state's diversity program. Whether for a formal training session, seminar, conference, community meeting, pre-proposal conference or the Diversity Business Marketplace held in each of the three grand regions of the state, our goal was to reach the businesses to provide them the tools necessary to compete for state contracts.



Outreach Locations

Blountville Knoxville Boliver Lawrenceburg Chapel Hill Memphis Chattanooga Murfreesboro Clarksville Nashville Cookeville Pulaski Crossville Smyrna Franklin Jackson Wartburg

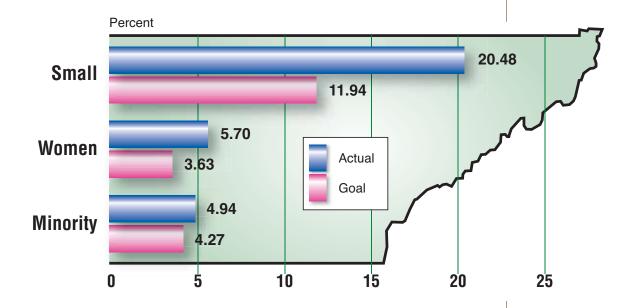
Agency and Departmental Goals

State departments and agencies efforts to achieve diversity in contracting are monitored to assist them in increasing participation by minority owned, woman owned and small businesses in their departments' procurement and contracting opportunities. Monthly reports are submitted documenting each department's efforts for actively soliciting bids and proposals and identifying any contracts or subcontracts awarded to a diversity business. This data is compiled and reviewed by Go-DBE staff to chronicle each department's progress. Annual department or agency level internal goals have been established for small business and minority and woman owned business contracting. In establishing these annual goals, each department and agency worked closely with the Governor's Office of Diversity Business Enterprise. Goals were based on reported levels of expenditures for Fiscal Years 05-06 and 06-07 and the number of certified businesses available to bid or propose on the department or agency's forecast procurement and contracting opportunities.



| | Goal | Actual |
|----------|--------|--------|
| | | |
| Minority | 4.27% | 4.94% |
| Women | 3.63% | 5.70% |
| Small | 11.94% | 20.48% |





The chart below lists each department's internal goal for the previous fiscal year 07-08. The overall actual accomplishment of participation with business enterprises by minority owned, woman owned and small business is captured below:

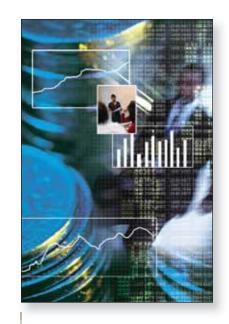
| Department Name | Women % | Women FY07-08 Goal | Minority % | Minority FY07-08 Goal | Small % | Small FY07-08 Goal | Overall Goal | Actual Overall |
|---|---------|--------------------------|------------|-----------------------------|---------|--------------------------|-----------------|-------------------|
| Agriculture | 5.26% | 5.00% | 4.12% | 6.00% | 36.93% | 27.00% | 38.00% | 46.31% |
| Board of Probation and Paroles | 4.19% | 2.00% | 4.77% | 2.00% | 3.49% | 5.00% | 9.00% | 12.45% |
| Board of Regents | 7.75% | 8.00% | 3.06% | 2.75% | 12.87% | 12.00% | 22.75% | 23.67% |
| Children's Services | 30.41% | 2.40% | 18.19% | 5.00% | 14.17% | 12.00% | 19.40% | 62.78% |
| Commerce & Insurance | 0.83% | 1.00% | 3.12% | 5.00% | 47.95% | 15.00% | 21.00% | 51.90% |
| Comptroller of the Treasury | 7.08% | 3.00% | 2.49% | 2.00% | 16.66% | 8.00% | 13.00% | 26.23% |
| Corrections | 1.25% | 3.00% | 0.73% | 2.50% | 4.89% | 5.00% | 10.50% | 6.87% |
| Economic & Community Development | 6.70% | 3.00% | 16.02% | 19.00% | 40.65% | 26.00% | 48.00% | 63.37% |
| Education | 1.94% | 1.00% | 2.55% | 4.00% | 6.80% | 3.00% | 8.00% | 11.29% |
| Environment & Conservation | 5.16% | 7.13% | 5.44% | 6.60% | 47.32% | 30.07% | 43.80% | 57.91% |
| Finance & Administration | 2.57% | 3.00% | 0.18% | 1.00% | 1.87% | 2.00% | 6.00% | 4.62% |
| Financial Institutions | 7.98% | 2.50% | 1.09% | 3.00% | 25.22% | 20.00% | 25.50% | 34.30% |
| General Services / Property Services Management | 13.23% | 12.00% | 7.78% | 6.00% | 10.05% | 7.00% | 25.00% | 31.05% |
| Health | 1.78% | 4.00% | 3.10% | 3.00% | 18.45% | 15.00% | 22.00% | 23.32% |
| Higher Education | 4.24% | 3.00% | 0.47% | 3.00% | 11.64% | 3.00% | 9.00% | 16.35% |
| Human Resources | 9.86% | 9.00% | 1.58% | 5.00% | 35.21% | 30.00% | 44.00% | 46.65% |
| Human Services | 3.71% | 1.00% | 9.28% | 5.00% | 9.25% | 5.00% | 11.00% | 22.24% |
| Labor & Workforce | 2.49% | 3.00% | 1.14% | 8.00% | 24.35% | 5.00% | 16.00% | 27.98% |
| Mental Health & Developmental Disabilities | 2.42% | 2.00% | 14.77% | 5.00% | 34.73% | 10.00% | 17.00% | 51.92% |
| Mental Retardation | 1.90% | 2.00% | 11.91% | 7.00% | 47.47% | 18.00% | 27.00% | 61.28% |
| Military | 1.15% | 3.00% | 1.14% | 4.00% | 16.85% | 10.00% | 17.00% | 19.14% |
| Revenue | 8.06% | 1.00% | 1.44% | 2.75% | 26.76% | 10.00% | 13.75% | 36.26% |
| Safety | 4.20% | 5.00% | 13.14% | 4.00% | 11.52% | 9.00% | 18.00% | 28.87% |
| State Building Commission - Capital Improvement | 1.30% | 3.00% | 0.41% | 2.00% | 11.78% | 6.00% | 11.00% | 13.50% |
| Tennessee Bureau of Investigation | 2.22% | 2.50% | 0.04% | 2.50% | 9.96% | 12.00% | 17.00% | 12.22% |
| Tennessee Department of Transportation | 1.33% | 1.00% | 0.54% | 2.00% | 2.13% | 3.00% | 6.00% | 4.00% |
| TennCare | 11.64% | 8.00% | 14.96% | 5.00% | 29.18% | 10.00% | 23.00% | 55.77% |
| Tourist Development | 12.12% | 3.00% | 0.03% | 1.00% | 3.95% | 5.00% | 9.00% | 16.09% |
| Tennessee Wildlife Resources Agency | 4.54% | 2.25% | 1.14% | 3.00% | 29.20% | 19.00% | 24.25% | 34.88% |
| Veterans Affairs | 3.79% | 3.00% | 3.47% | 1.00% | 23.01% | 16.00% | 20.00% | 30.27% |
| Department Averages: | 5.70% | 3.63% | 4.94% | 4.27% | 20.48% | 11.94% | 19.83% | 31.12% |

Agency and Departments Achieving Agency Internal Goals

T.C.A §12-3-804 requires that state agencies actively solicit bids and proposals to obtain a fair proportion of procurements from minority owned, woman owned and small business enterprises. In an effort of reaching a fair proportion of procurement activity, each department and agency works closely with the Governor's Office of Diversity Business Enterprise to establish their individual agency internal goal. As there are no established mandated goals or quotas for this program.

Agency goals are based on reported levels of expenditures for the prior Fiscal Year and the number of certified businesses available to bid or propose on the department or agency's forecast of procurement and contracting opportunities.

Of the twenty-nine executive branch department and agencies that report monthly to Go-DBE twenty five (25) of the agencies were successful in achieving their agency internal goals or extending a fair proportion of their purchases to diversity businesses. The Governor's Office of Diversity Business Enterprise commend the below listed agencies and departments for their efforts in partnering with Go-DBE to purchase a fair proportion of contracting activity from minority owned, woman owned and small businesses.



| | Percentage of Participation with Diversity Businesses | | | |
|---|---|--------|--|--|
| | Goal | Actual | | |
| Economic & Community Development | 48.00% | 63.37% | | |
| Children's Services | 19.40% | 62.78% | | |
| Mental Retardation | 27.00% | 61.28% | | |
| Environment & Conservation | 43.80% | 57.91% | | |
| TennCare | 23.00% | 55.77% | | |
| Mental Health & Developmental Disabilities | 17.00% | 51.92% | | |
| Commerce & Insurance | 21.00% | 51.90% | | |
| Human Resources | 44.00% | 46.65% | | |
| Agriculture | 38.00% | 46.31% | | |
| Revenue | 13.75% | 36.26% | | |
| Tennessee Wildlife Resources Agency | 24.25% | 34.88% | | |
| Financial Institutions | 25.50% | 34.30% | | |
| General Services / Property Services Manage | ement 25.00% | 31.05% | | |

| Department or Agency | Percentage of Part with Diversity Bus Goal | • |
|---|--|--------|
| Veterans Affairs | 20.00% | 30.27% |
| Safety | 18.00% | 28.87% |
| Labor & Workforce | 16.00% | 27.98% |
| Comptroller of the Treasury | 13.00% | 26.23% |
| Board of Regents | 22.75% | 23.67% |
| Health | 22.00% | 23.32% |
| Human Services | 11.00% | 22.24% |
| Military | 17.00% | 19.14% |
| Higher Education | 9.00% | 16.35% |
| Tourist Development | 9.00% | 16.09% |
| State Building Commission - Capital Improve | ment 11.00% | 13.50% |
| Board of Probation and Paroles | 9.00% | 12.45% |

REPORTING REQUIREMENTS BY TENNESSEE CODE ANNOTATED

Governor's Office of Diversity Business Enterprise Participation Purchase Order and Contracts Awarded

Fiscal Year 2007-2008

T.C.A. 12-3-808(a). The commissioner shall annually report, on or before each December 31, to the governor and to each member of the general assembly, concerning the awarding of purchases to minority owned, woman owned and small businesses and the total value of awards made during the preceding fiscal year under the provisions of this part. The commissioner shall also include in such annual report: the number, by category, of minority owned, woman owned and small businesses solicited; the number of bids received, by category, from minority owned, woman owned and small businesses; and the dollar amount of purchases awarded, by category, to minority owned, woman owned and small businesses.

Minority Owned Business

| | Number of | Number of Bids | Dollar Amount |
|-----------------------|---------------|----------------|-----------------|
| | Solicitations | Received | of Awards |
| Purchase Order Awards | 20,445 | 3,724 | \$13,768,536.14 |
| *Contract Awards | | | \$25,070,268.32 |
| Totals | | | \$38,838,804.46 |

^{*}New reporting requirement. Contracts awarded are manually tracked under the **Governor's Office of Diversity Business Enterprise** new program initiatives. Information Systems Tracking Program is currently being developed to track future information regarding solicitations and the number of Request for Proposals (RFP's) received.

Woman Owned Business

| | Number of | Number of Bids | Dollar Amount |
|-----------------------|---------------|----------------|-----------------|
| | Solicitations | Received | of Awards |
| Purchase Order Awards | 16,203 | 11,760 | \$22,094,988.27 |
| *Contract Awards | | | \$36,042,925.96 |
| Totals | | | \$58,137,914.23 |

^{*}Contracts awarded and manually tracked under **Governor's Office of Diversity Business Enterprise** new program initiatives. An Information Systems program is currently being developed to track Solicitations and the number of Request for Proposals (RFP's) and total service contracts awarded by departments.

Small Business

| | Number of | Number of Bids | Dollar Amount | |
|-----------------------|---------------|----------------|-----------------|--|
| | Solicitations | Received | of Awards | |
| Purchase Order Awards | 34,419 | 28,843 | \$39,464,122.52 | |
| *Contract Awards | | | \$16,657,255.69 | |
| Totals | | | \$56.121.378.21 | |

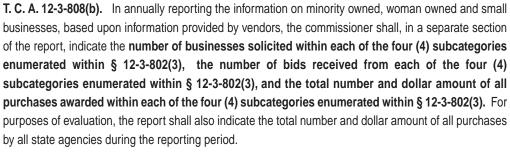
*Contracts awarded and manually tracked under **Governor's Office of Diversity Business Enterprise new program initiatives.** An Information Systems program is currently being developed to track Solicitations and the number of Request for Proposals (RFP's) and total service contracts awarded by departments.







Fiscal Year 2007-2008





The **University of Tennessee** reported the number of diversity businesses solicited for Procurement opportunities. The totals were not included in the above totals, as the University did not provide totals by subcategories as prescribed by the law. The chart below reflects the University of Tennessee's number of solicitations, number of responses and number of dollars awarded to minority owned, woman owned and small businesses:

| Solicitation of | Number | Number of | Number of | Dollar Amount |
|---------------------|------------------|---------------|-----------|-----------------|
| Minority Businesses | of Solicitations | Bids Received | Awards | of Awards |
| Minority Owned | 288 | 64 | 33 | \$ 823,795.00 |
| Woman Owned | 590 | 175 | 90 | \$ 2,983,911.00 |
| Small Business | 2,269 | 727 | 663 | \$48,038,775.00 |
| Total | 3,147 | 966 | 786 | \$51,836,481.00 |





PROGRAM INITIATIVES

Program Initiatives for Fiscal Year 2007-2008

The Governor's Office of Diversity Business Enterprise continues to see a need to expand and create initiatives to assist diversity businesses throughout the state. The following is a list of initiatives.

Expanding Outreach Efforts Through:

- Diversity Business Marketplace events in various cities in the state of Tennessee.
- Continual development of government and corporate partnerships to expand procurement opportunities throughout the state.
- Assisting state agencies on better identification of "On the Spot" procurement opportunities during Diversity Business Marketplace events.
- Providing meaningful workshops to educate businesses on how to do business with the state.
- Participating in the Outreach initiative for the Edison project.
- Improving the Go-DBE Website to facilitate greater understanding of available opportunities with state procurement, along with an enhancement of the certified diversity business directory.

Expanding Program Assistance Through:

- Technical assistance will principally be provided to certified businesses.
- Only certified businesses will receive statewide workshops to provide technical skills to grow their businesses into successful viable businesses.

Workshop topics to include:

- State procedure for bid and proposal preparation
- Marketing
- Financial assistance
- Legal issues
- Partnering with State Treasurer
- Partnering with State Building Commission
- Partnering with Edison Project



